Growth of electronics and IT hardware

641. SHRI N.K. SINGH: Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:

(a) whether Government has received the recommendations of the Task Force appointed for promotion of growth of electronics and IT hardware;

(b) if so, the details thereof; and

(c) the steps Government has taken to implement the recommendations?

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (SHRI JYOTIRADITYA MADHAVRAO SCINDIA): (a) Yes, Sir.

(b) and (c) The recommendations relate to: Infrastructure Support, Incentives for Research and Development, Tariff Issues and Fiscal Incentives, Environmental considerations, Special incentives for Fabs and other high tech products, Special attention and priorities to electronics hardware manufacturing, Skill Development, etc. The steps taken by the Government to implement the recommendations are given as Statement.

Statement

Steps taken by the Government to implement the recommendations of the Task Force to promote the growth of electronics/IT hardware manufacturing industries

The Steps taken by the Government as a follow up of the decisions taken by the Task Force are summarized below:

- **Infrastructure Support**: Inadequate infrastructure has been identified as one of the disability factors being faced by the electronics hardware manufacturing sector. In order to address the same, the Department of Information Technology (DIT) has notified the Policy Resolution for setting up of Information Technology Investment Regions (ITIRs) in the Gazette of India dated 28.5.2008. These regions would be endowed with excellent infrastructure and would reap the benefits of co-siting, networking and greater efficiency through use of common infrastructure and support services.

- **Incentives for Research and Development**: The Department of Information Technology has put in place the following schemes:

  - **Support International Patent Protection in Electronics & IT (SIP-EIT)**: Under this scheme SMEs and Technology Start-up units will be reimbursed costs incurred in filing international patent applications in Electronics & ICT domain for their indigenous inventions to the extent of 50% of the actual cost incurred by the applicant on filing International Patent, subject to a maximum of Rs.15 lakhs per application. The details of the scheme are available on DIT's website (http://www.mit.gov.in).

  - **Multiplier Grants Scheme**: The objective of the scheme is to encourage industry to collaborate with premier Academic and Government R&D institutions for development of innovative and commercially viable products / packages. Under this scheme, the Government would provide grants up to the maximum of twice the amount invested by the industry / industry consortium / association towards the innovation at academic / R&D institution. The details of the scheme are available on DIT's website.

– **Promote technology and innovation focused start ups**: The objective of the scheme for Technology Incubation and Development of Entrepreneurs (TIDE) in the area of Electronics, ICT and Management is to promote product oriented research and development and bridge the gap between R&D and commercialization. The scheme aims to assist Institutions of Higher learning such as IITs, IIMs, NITs and IIITs, etc. to strengthen their Technology Incubation Centres and thus enable young entrepreneurs to initiate technology start up companies for commercial exploitation of technologies developed by them.

• **Tariff Issues and Fiscal Incentives**

– **Inverted Tariff Structure**: Most of the cases of inverted duty structure brought to notice of DIT by the Industry Associations have been corrected by the Department of Revenue.

– **Reduction of total taxation level**: The general rate of excise duty (CENVAT) has been reduced from 16% to 14 % in the Budget 2008-09 and Central Sales Tax (CST) has been reduced from 3% to 2%. VAT on IT products is @4%. Regarding the proposals for (i) abolition of CST and (ii) rationalization of VAT on both IT and non-IT electronics goods to 4%, the Task Force recommended that DIT may take up the matter with the Secretariat of the Empowered Group of State Finance Ministers. DIT has initiated necessary action in this regard.

• **Environmental considerations**:

– **E- Waste**: The electrical and electronic waste (e-waste) is one of the fastest growing waste streams in the world. In India, the issue of e-waste management is in a nascent stage. The industry and the Government needed to work towards regulation/guidelines for effective electronic waste management in the country. Ministry of Environment and Forests (MoEF) had constituted a Task Force on e-waste management on 16.8.2007 under the Chairmanship of Additional Secretary, MoEF to finalise the Guidelines for environmentally sound management of e-waste. The Task Force submitted its report in March, 2008 and the Guidelines for environmentally sound management of e-Waste have been approved by MoEF. The same are placed on the websites of MoEF as well as Central Pollution Control Board.

– **Electromagnetic Compatibility (EMC) / Electromagnetic Interference (EMI) & Safety Standards**: It is essential to have the products designed and tested to accepted standards of safety and EMI/EMC. The Task Force noted that the industry is in favour of notification of standards and compliance thereto. However, the industry does not support mandatory licensing by the Bureau of Indian Standards (BIS). It was noted that notification of standards could not be delinked from the BIS licensing scheme. Therefore, the Task Force recommended that appropriate amendments in the BIS Act be processed by the Department of Consumer Affairs expeditiously. The Department of Consumer Affairs has initiated necessary action in this regard.

• **Special incentives for Fabs and other high tech products**: The Special Incentive Package Scheme (SIPS) to encourage investments for setting up Semiconductor Fabrication and other micro

and nano technology manufacture industries in India, has been announced by the Government *vide* Gazette Notification dated 21st March, 2007. The details of the Scheme are available on the Website of DIT.

• **Special attention and priorities to electronics hardware manufacturing**: As per the Foreign Trade Policy (FTP), 2004-2009 (updated as on 11th April, 2008), "Electronics and IT Hardware Manufacturing Industries" has been included as a thrust sector in Chapter-1B relating to "Special Focus Initiatives". The relevant details are available on the website of Department of Commerce/DGFT.

• Skill development: The Task Force recommended that the planning and coordination of the skill development activities be covered under the Planning Commission's National Skill Development Mission. Planning Commission has initiated necessary action in this regard.

Fixed phone lines of MTNL and BSNL

†642.SHRI PRAKASH JAVADEKAR:

SHRI KAMAL AKHTAR:

Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:

(a) whether it is a fact that the number of fixed line phones of MTNL and BSNL are continuously decreasing in the country whereas the interest of the people in fixed line connections of private player is increasing;

(b) if so, the reasons thereof and State-wise details of fixed line connections disconnected by the people during the last six months;

(c) whether a scheme is being run by Government to promote the interest of people in fixed phone connections of MTNL/BSNL; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (SHRI JYOTIRADITYA MADHAVRAO SCINDIA): (a) and (b) Sir, the MTNL landline connection are still in good demand. Number of landline phone connection got disconnected by the subscribers during the last six months (from 1.4.08 to 30.9.08) are 44540 in MTNL Delhi & 57762 in MTNL, Mumbai. At the same time, demand for landline is also there. 60813 numbers of new landline connections (gross) in MTNL Delhi and 68158 numbers of new landline connections (gross) in Mumbai have been added during the period. However, in BSNL additional wireline telephone connections are provided, yet overall there is negative growth due to surrender/ disconnection. The circle wise number of Landline telephones of BSNL surrendered by subscribers during last six months is given in the enclosed Statement (*See* below).

The reasons for surrender of landline phones by the customers are given below:

i. Increased use of Mobile Phones.
ii. Closure of office/company,
iii. Surrendering of 2nd and above Landline telephone taken for internet etc. due to availability of broadband,
iv. Shifting of Landline telephone customer to BSNL/MTNL Mobile.
v. Shifting of Landline telephone customer to private operator.
vi. Economic reasons etc.

†Original notice of the question was received in Hindi.